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Message Text

LIMITED OFFICIAL USE

PAGE 01 TEL AV 09208 141510Z
ACTION NEA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 FRB-03
INR-07 NSAE-00 USIA-06 TRSE-00 XMB-02 OPIC-03
SP-02 LAB-04 SIL-01 OMB-01 NSC-05 SS-15 STR-05
CEA-01 DODE-00 PM-05 /084 W
----------119997 141951Z /47
R 141414Z NOV 77
FM AMEMBASSY TEL AVIV
TO SECSTATE WASHDC 9282

LIMITED OFFICIAL USE TEL AVIV 9208

E.O.11652: N/A
TAGS: EFIN, IS, EAID
SUBJ: EHRLICH ON BALANCE OF PAYMENTS PROSPECTS

REF: TEL AVIV 9047

1. BEGIN UNCLASSIFIED:
IN A NOVEMBER 9 SPEECH, MINISTER OF FINANCE SIMCHA EHRLICH SAID THAT THE CIVILIAN BALANCE OF PAYMENTS DEFICIT WILL BE $1.5 BILLION IN 1977, WITH A TOTAL DEFICIT ON GOODS AND SERVICES INCLUDING DEFENSE IMPORTS OF $3 BILLION. HE ADDED THAT THE GOI PLANS TO ELIMINATE THE CIVILIAN BOP GAP COMPLETELY BY 1981. POINTING OUT THAT ISRAEL IS RECEIVING $800 MILLION IN ECONOMIC ASSISTANCE FROM THE US THIS YEAR AND NEXT YEAR (SIC), HE CALLED FOR AN END TO DEPENDENCY ON SUCH AID, STRESSING THAT FINANCIAL DEPENDENCE MEANS POLITICAL DEPENDENCE. END UNCLASSIFIED

2. BEGIN LIMITED OFFICIAL USE:
COMMENT: THE NEW ESTIMATE OF A $3 BILLION DEFICIT IN 1977 IS A NOTEWORTHY CHANGE FROM THE $3.490 BILLION ESTIMATE CONTAINED IN THE GOI AID REQUEST PRESENTED IN SEPTEMBER BEFORE THE FIRST SEMESTER TRADE DATA WERE AVAILABLE. AN MOF ECONOMIST HAS SUBSEQUENTLY TOLD US THAT THE $1.5 BILLION
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CIVILIAN BOP DEFICIT PROJECTION IS BASED ON AN EXPORT GROWTH OF 23 PERCENT AND CIVILIAN IMPORT GROWTH OF 15 PERCENT. MINISTRY OF DEFENSE OFFICIALS THINK THAT DIRECT DEFENSE IMPORTS WILL REACH A VALUE OF AT LEAST $1.5 BILLION (OFFICIAL GOI PROJECTION IS $1.775 BILLION). MOF ECONOMIST TOLD US THAT DEFENSE IMPORTS COULD IN FACT TOTAL AS LOW AS $1.2 BILLION, WITH A REALISTIC PROJECTION IN THE $1.2 - $1.5 BILLION RANGE. THE TOTAL DEFICIT

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ON GOODS AND SERVICES, INCLUDING DIRECT DEFENSE IMPORTS, WILL
THEN BE BETWEEN $2.7 BILLION AND $3.0 BILLION--$500-$800 MILLION
BELOW THE PROJECTION IN THE AID REQUEST. END LIMITED OFFICIAL USE.
LEWIS

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SPEECHES, BALANCE OF PAYMENTS
Control Number: n/a
Copy: SINGLE
Sent Date: 14-Nov-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977TELAV09208
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
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Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770421-0103
Format: TEL
From: TEL AVIV
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771161/aaaabzxs.tel
Line Count: 66
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 0cd1f31a-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 TEL AVIV 9047
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 23-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 596957
Secure: OPEN
Status: NATIVE
Subject: EHRLICH ON BALANCE OF PAYMENTS PROSPECTS
TAGS: EFIN, EAID, IS, (EHRLICH, SIMCHA)
To: STATE
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/0cd1f31a-c288-dd11-92da-001cc4696bcc
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